

RECORDATION NO. 23498-C FILED

OCT 26 '04

4:12 PM

ALVORD AND ALVORD  
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SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

October 26, 2004

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Amended Memorandum of Mortgage, dated as of October 26, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage previously filed with the Board under Recordation Number 23498 and consolidates the Memoranda of Mortgages previously filed on behalf of The Emerson Partnership, LLP, The Clearwater Partnership, LLP, The Grand Leasing Partnership, LLP and The Freight Leasing Partnership, LLP.

The names and addresses of the parties to the enclosed document are:

Head Lessors:	The Emerson Partnership, LLP The Clearwater Partnership, LLP The Grand Leasing Partnership, LLP The Freight Leasing Partnership, LLP Queensgate House P O Box 1093 GT South Church Street Grand Cayman Cayman Islands
Head Lessee:	North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) 230 Park Avenue, 32nd Floor New York, New York 10169 Attention: Rail Operating Lease Group

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Indenture Trustee: Wells Fargo Bank Northwest, National  
Association  
79 South Main Street  
Salt Lake City, Utah 84111

A description of the railroad equipment covered by the enclosed document  
is:

Schedule A -- 983 railcars within the following series:

CRDX 9200 -- CRDX 9398  
CTRN 400001 -- CTRN 400115  
CTRN 600002 -- CTRN 600203  
STSX 1500 -- STSX 2082

Schedule B -- 1,577 railcars within the following series:

BCOL 873600 -- BCOL 873649  
BNSF 728225 -- BNSF 728399  
CEFX 60360 - CEFX 60719  
CWEX 24000 -- CWEX 24237  
EJE 7400 -- EJE 7499  
EXEX 640000 -- EXEX 640109  
FLIX 3500 -- FLIX 3899  
TIMX 62000 -- TIMX 62044  
WPSX 8001 -- WPSX 8119

Schedule C -- 1,770 railcars within the following series:

ATW 80001 -- ATW 80030  
BCAX 200 -- BCAX 275  
BNSF 519200 -- BNSF 519399  
BNSF 537000 -- BNSF 537049  
CEFX 62390 -- CEFX 62934  
CEFX 81074 -- CEFX 81173  
CEFX 95071 -- CEFX 95719  
CSWX 7361 - CSWX 7480  
EDEX 099001 - EDEX 099422  
LCEX 350 - LCEX 399  
NS 164480 - NS 164699  
NORX 6000 - NORX 6239  
WCRC 3000 - WCRC 3324

Schedule D -- 1,120 railcars within the following series:

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CEFX 12021 - CEFX 13779  
CEFX 40988 - CEFX 43214  
CEFX 75711 - CEFX 75819  
CEFX 80000 - CEFX 80199  
CEFX 95520 - CEFX 95619  
CHTT 503001 - CHTT 503480  
JTSX 300115 - JTSX 300224  
RGCX 1118 - RGCX 1142

A short summary of the document to appear in the index is:

Amended Memorandum of Mortgage.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

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AMENDED MEMORANDUM OF MORTGAGE

SURFACE TRANSPORTATION BOARD

This Amended Memorandum of Mortgage is made and entered into as of October 26, 2004 among **NORTH AMERICA RAIL LEASING #3 LLC** (d/b/a Babcock & Brown Rail Leasing) ("**Head Lessee**"), **THE EMERSON PARTNERSHIP, LLP** ("**Emerson**"), **THE CLEARWATER PARTNERSHIP, LLP** ("**Clearwater**"), **THE GRAND LEASING PARTNERSHIP, LLP** ("**Grand Leasing**") and **THE FREIGHT LEASING PARTNERSHIP, LLP** ("**Freight Leasing**", together with Emerson, Clearwater and Grand Leasing, collectively, "**Head Lessor**"), in favor of **WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION**, as indenture trustee under the Trust Indenture referred to below (together with its successors and permitted assigns, the "**Indenture Trustee**"), which amends (i) the Memorandum of Mortgage made and entered into as of May 29, 2001 between Emerson and Lombard North Central plc, as indenture trustee (the "**Memorandum of Mortgage (INTOL I)**"); (ii) the Memorandum of Mortgage made and entered into as of October 20, 2001 between Clearwater and Lombard North Central plc, as indenture trustee (the "**Memorandum of Mortgage (INTOL II)**"); (iii) the Memorandum of Mortgage made and entered into as of December 20, 2001 between Grand Leasing and Lombard North Central plc, as indenture trustee (the "**Memorandum of Mortgage (INTOL III)**"); (iv) the Memorandum of Mortgage made and entered into as of May 9, 2002 between Freight Leasing and Lombard North Central, plc as indenture trustee (the "**Memorandum of Mortgage (INTOL IV)**"); (v) the Memorandum of Security Assignment made and entered into as of July 9, 2004 among Emerson, Crosby Limited and Head Lessee in favor of Lombard North Central plc, as indenture trustee; (vi) the Memorandum of Security Assignment made and entered into as of July 9, 2004 among Clearwater, Creedence Limited and North America Rail Leasing #32 LLC (d/b/a Babcock & Brown Rail Leasing), in favor of Lombard North Central plc, as indenture trustee; (vii) the Memorandum of Security Assignment made and entered into as of July 9, 2004 among Grand Leasing, Funk Limited and North America Rail Leasing #33 LLC (d/b/a Babcock & Brown Rail Leasing), in favor of Lombard North Central plc, as indenture trustee; and (viii) the Memorandum of Security Assignment made and entered into as of July 9, 2004 among Freight Leasing, Blues Limited and North America Rail Leasing #34 LLC (d/b/a Babcock & Brown Rail Leasing), in favor of Lombard North Central plc, as indenture trustee. Terms used in this instrument have the meanings assigned thereto (whether by reference to another document or otherwise) in that certain Trust Indenture and Security Agreement (COMBI 2) dated as of October 26, 2004 (as amended, modified or supplemented, the "**Trust Indenture**") among the Head Lessee, Head Lessor, The Royal Bank of Scotland plc, New York Branch, as Tranche A Lender, Tranche B Lender, Tranche C Lender and Tranche D Lender, and the Indenture Trustee.

WITNESSETH:

Head Lessor and Head Lessee have entered into the Trust Indenture by which Head Lessor and Head Lessee (or either of them, as the case may be) have granted to the Indenture Trustee, in order to secure the obligations set forth in the Trust Indenture, a first priority security interest in, *inter alia*, all of their right, title and interest in, to and under:

(a) certain railroad equipment bearing reporting marks as listed in the Memorandum of Mortgage (INTOL I), Memorandum of Mortgage (INTOL II), Memorandum of Mortgage (INTOL III) and Memorandum of Mortgage (INTOL IV) (collectively, the "**Units**");


(b) each lease referred to in the Memorandum of Mortgage (INTOL I), Memorandum of Mortgage (INTOL II), Memorandum of Mortgage (INTOL III) and Memorandum of Mortgage (INTOL IV) (as amended, modified or supplemented from time to time, collectively, the "**Initial Leases**") and any other lease entered into by Head Lessee or Head Lessor with respect to the Units; and

(c) that certain Master Railcar Head Lease Agreement (COMBI 2) dated as of October 26, 2004, as amended, modified or supplemented from time to time, by which Head Lessor has leased the Units to Head Lessee, and Head Lessee has leased the Units from Head Lessor, in each case subject to the Initial Leases.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of Head Lessor and Head Lessee has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**NORTH AMERICA RAIL LEASING #3  
LLC (d/b/a Babcock & Brown Rail  
Leasing),  
as Head Lessee**

By:   
Name: Bruce Carusi  
Title: Vice President

**THE EMERSON PARTNERSHIP, LLP,  
as Head Lessor**

By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner:

By: \_\_\_\_\_  
Name:  
Title:

**THE CLEARWATER PARTNERSHIP,  
LLP, as Head Lessor**

By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner:

By: \_\_\_\_\_  
Name:  
Title:

**THE GRAND LEASING PARTNERSHIP,  
LLP, as Head Lessor**

By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner:

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, each of Head Lessor and Head Lessee has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**NORTH AMERICA RAIL LEASING #3  
LLC (d/b/a Babcock & Brown Rail  
Leasing),  
as Head Lessee**

By: \_\_\_\_\_  
Name:  
Title:

**THE EMERSON PARTNERSHIP, LLP,  
as Head Lessor**

By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner:

By: \_\_\_\_\_  
Name: Owen Harrington  
Title: Attorney-in-Fact

**THE CLEARWATER PARTNERSHIP,  
LLP, as Head Lessor**

By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner:

By: \_\_\_\_\_  
Name: Owen Harrington  
Title: Attorney-in-Fact

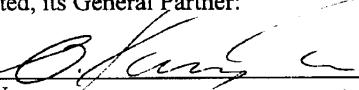
**THE GRAND LEASING PARTNERSHIP,  
LLP, as Head Lessor**

By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner:

By: \_\_\_\_\_  
Name: Owen Harrington  
Title: Attorney-in-Fact

**THE FREIGHT LEASING  
PARTNERSHIP, LLP, as Head Lessor**

By: Lloyds TSB Equipment Leasing (No. 5)  
Limited, its General Partner:

By:   
Name: Owen Harrington  
Title: Attorney-in-fact

State of New York )

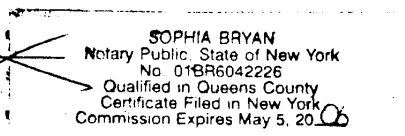
)

County of New York )

On this, the 21st day of October, 2004, before me, a Notary Public in and for said County and State, personally appeared Bruce Carusi, a Vice President of North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing), who acknowledged himself/herself to be a duly authorized officer of North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing), and that, as such officer, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal on the date above mentioned.

Name: Sophia Bryan  
Notary Public



My Commission Expires: \_\_\_\_\_

Residing in: New York, New York

State of New York )  
County of New York )

On this, the 26<sup>th</sup> day of October, 2004, before me, a Notary Public in and for said County and State, personally appeared Owen Harrington, who acknowledged himself to be a duly authorized person of The Emerson Partnership, LLP, and that, as such duly authorized person, he executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal on the date above mentioned.

Name: Ida Lazara Rubin  
Notary Public

My Commission Expires: \_\_\_\_\_

**IDA LAZARA RUBIN**  
**Notary Public, State of New York**  
**No. 01RU6134160**  
**Qualified in New York County**  
**Commission Expires August 9, 2008**

State of New York )  
County of New York )

On this, the 26<sup>th</sup> day of October, 2004, before me, a Notary Public in and for said County and State, personally appeared Owen Harrington, who acknowledged himself to be a duly authorized person of The Clearwater Partnership, LLP, and that, as such duly authorized person, he executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal on the date above mentioned.

Name: Ida Lazara Rubin  
Notary Public

My Commission Expires: \_\_\_\_\_

**IDA LAZARA RUBIN**  
**Notary Public, State of New York**  
**No. 01RU6134160**  
**Qualified in New York County**  
**Commission Expires August 9, 2008**

State of New York )  
County of New York )

On this, the 26<sup>th</sup> day of October, 2004, before me, a Notary Public in and for said County and State, personally appeared Owen Harrington, who acknowledged himself to be a duly authorized person of The Freight Leasing Partnership, LLP, and that, as such duly authorized person, he executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal on the date above mentioned.

Name: Ida Lazara Rubin  
Notary Public

My Commission Expires: \_\_\_\_\_

**IDA LAZARA RUBIN**  
Notary Public, State of New York  
No. 01RU6134160  
Qualified in New York County  
Commission Expires August 9, 2008

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Union Pacific Railroad Company #2	98	Coal hopper cars, manufactured in 1993 by Johnstown America.	CTRN 600003-600012 inclusive; 600014, 600017- 600021, inclusive; 600027, 600029, 600035, 600073- 600101, inclusive; 600104- 600114, 600116-600118, inclusive; 600200-600124, inclusive; 600126-600131, inclusive; 600133-600139, inclusive; 600141, 600144- 600152, inclusive; 600155- 600156, inclusive; 600160- 600162 inclusive and 600164- 600167, inclusive
Union Pacific Railroad Company #3	79	Coal hopper cars, manufactured in 1993 by Johnstown America.	CTRN 600002, 600022- 600026, inclusive; 600028, 600030, 600032-600033, inclusive; 600036-600042, 600044, 600046-600059, 600061-600070, inclusive; 600125, 600140, 600142, 600143, 600157, 600169- 6000177 600179-600192, inclusive; 6000194-600203, inclusive
Chicago Freight Car Leasing Co.	143	Cement covered hoppers railcars. cars 1989 by Trinity Industries and Thrall Car.	CRDX 9200-9205, inclusive; 9207-9245, inclusive; 9248- 9319, inclusive; 9370-9398, inclusive

**SCHEDULE B**Equipment

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
The Burlington Northern and Santa Fe Railway Company #1	174	Boxcars	BNSF 728225-728399, inclusive
BC Rail Partnership	47	Centerbeam Flatcars	BCOL 873600-873614, inclusive; 873616-873634, inclusive; 873636-873639, inclusive; and 873641- 873649, inclusive
The Burlington Northern and Santa Fe Railway Company #2	357	Aluminum Coal Hoppers	CEFX 60360-60629, inclusive; 60631-60719, inclusive
AT Plastics, Inc.	27	Covered Hoppers	TIMX 62013, 62014, and 62020-62044, inclusive
AT Plastics Corporation	18	Covered Hoppers	TIMX 62000-62012, inclusive; and 62015-62019, inclusive
Wisconsin Public Service Corporation	119	BethGon Coalporters	WPSX 8001-8119, inclusive
Midwest Generation, LLC #1	119	BethGon Coalporters	CWEX 24000-24118, inclusive
Midwest Generation, LLC #2	119	BethGon Coalporters	CWEX 24119-24237, inclusive
Elgin, Joliet and Eastern Railway Company	100	Covered Coil Cars	EJE 7400-7499, inclusive
Exelon Generation Company, LLC	107	Aluminum Gondolas	EXEX 640000-640006, inclusive; 640008-640035, inclusive; 640037-640051, inclusive; and 640053- 640109, inclusive

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Union Pacific Railroad Company	390	Covered Hoppers	FLIX 3500, 3501, 3503, 3505-3524, inclusive; 3526- 3550, inclusive; 3552-3613, inclusive; 3615-3768, inclusive; 3770-3856, inclusive; 3858-3864, inclusive; 3886-3873, inclusive; 3875-3897, inclusive; and 3899

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Lone Star Industries, Inc.	49	Covered Hoppers	LCEX 350-399, inclusive
Norfolk Southern Railway Company	220	Coil Cars	NS 164480-164699, inclusive
Northern Indiana Public Service Company	237	BethGon Coalporter	NORX 6000-6239, inclusive
Union Pacific Railway Company	174	Open Top Gondolas	WCRC 3000-3174, inclusive
Union Pacific Railway Company	149	Open Top Gondolas	WCRC 3175-3324, inclusive

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Virginia Electric and Power Company	181	Coal Hoppers	CEFX 62390, 62395, 62408, 62412, 62428, 62436, 62440, 62445, 62697, 62698, 62701, 62704-62706, inclusive; 62708, 62710-62720, inclusive; 62722- 62724, inclusive; 62728, 62729, 62731, 62734-62736, inclusive; 62738-62743, inclusive; 62745, 62746, 62750, 62752, 62753, 62757-62761, inclusive; 62763- 62765, inclusive; 62768-62772, inclusive; 62775-62778, inclusive; 62780, 62784-62789, inclusive; 62791-62801, inclusive; 62803, 62805-62808, inclusive; 62811-62814, inclusive; 62816, 62819-62823, inclusive; 62825-62829, inclusive; 62831, 62833, 62834, 62837-62846, inclusive; 62849- 62852, inclusive; 62854, 62856, 62857, 62859-62864, inclusive; 62867-62876, inclusive; 62878, 62880-62883, inclusive; 62885- 62892, inclusive; 62896-62898, inclusive; 62901-62905, inclusive; 62907-62910, inclusive; 62912-62915, inclusive; 62918, 62919, 62921- 62926, inclusive; and 62928- 62934, inclusive

## SCHEDULE D

### Equipment

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Louis Dreyfus Corporation	117	Covered Hoppers	1999 built: CEFX 12021, 12023, 12035, 12038-12040, inclusive; 12044, 12048, 12053, 12056, 12090, 12093, 12095, 12097, 12100-12101, inclusive; 12104, 12106-1207, inclusive; 12109-12110, inclusive; 12112, 12114, 12116, 12121, 13051-13052, inclusive; 13054, 13056, 13057, 13059, 13063, 13123, 13127, 13128, 13131-13135, inclusive; 13137, 13145, 13147-13148, inclusive; 13150, 13153, 13161, 13166, and 13185  2000 built: 13711-13753, inclusive; and 13755-13779, inclusive
ConAgra, Inc. #1	30	Covered Hoppers	CEFX 75711, 75715-75716, inclusive; 75725-75750, inclusive, and 75755
ConAgra, Inc. #2	20	Covered Hoppers	CEFX 75768-75770, inclusive; 75781-75784, inclusive; 75787, 75793, 75796, 75799-75800, inclusive; 75803, 75811-75814, inclusive; 75816-75817, inclusive; and 75819
GCC Rio Grande, Inc. (f/k/a Rio Grande Portland Cement Corporation)	200	Covered Hoppers	CEFX 80000-80199, inclusive
Boral Material Technologies, Inc.	100	Covered Hoppers	CEFX 95520-95619, inclusive

<u>Lessee</u>	<u># of Cars</u>	<u>Unit Type</u>	<u>Reporting Marks</u>
Kansas City Power and Light Company	125	Aluminum Coal Gondolas	1995 built: CEFX 43191 and 43214  1999 built: CEFX 40988, 41007, 41058, 41060-41115, inclusive; 41117-41129, inclusive; 41133, 41136, 41143-41158, inclusive; 41160-41179, inclusive; 41181-41189, inclusive; 41227, 41255, and 41316-41317, inclusive
Union Pacific Railroad Company #1	227	Autoflood Coal Car	CHTT 503001-503240, inclusive
Union Pacific Railroad Company #2	167	Bethgon Coal Car	CHTT 503241, 503246, 503248-503252, inclusive; 503255-503257, inclusive; 503261-503264, inclusive; 503268-503280, inclusive; 503282, 503284, 503285, 503287-503296, inclusive; 503298-503303, inclusive; 503309, 503312, 503313, 503316, 503318, 503319, 503321-503324, inclusive; 503326-503343, inclusive; 503345, 503348-503550, inclusive; 503354, 503357, 503362-503389, inclusive; 503391-503449, inclusive; 503451-503458, inclusive; 503460-503465, inclusive; and 503467-503480, inclusive
Lone Star Industries, Inc.	24	Covered Hoppers	RGCX 1118-1142, inclusive
Marathon Ashland Petroleum, LLC	110	Open-Top Hoppers	JTSX 300115-300224, inclusive

**CERTIFICATION**

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: October 26, 2004

A handwritten signature in black ink, appearing to read 'R. Alvord', written over a horizontal line.

Robert W. Alvord